

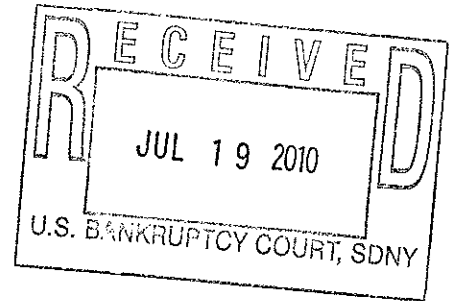


July 15, 2010

Irving H. Picard, Trustee
c/o Baker & Hostetler LLP
45 Rockefeller Plaza
New York, NY 10111

and

Clerk of the United States Bankruptcy Court for
the Southern District of New York
One Bowling Green
New York, New York 10111



RE: Sam Zemsky Rev. Trust dtd 12/27/95 (Claim #009161)

To Whom It May Concern:

Notice is hereby provided that I disagree with the determination of the Trustee dtd 5/13/2010 with regard to the above Claim.

I timely filed an information request and a request for an extension of time to provide this Notice on 5/24/2010 to Baker Hostetler ["BH"]. BH called my authorized representative, Gary Kriner, on 5/28/2010 to discuss our request. BH was to provide the requested information and respond to our question regarding the Trustee's method of accounting for transfers between accounts in the determination of "net equity". BH is working on our request and we last talked with them on 7/14/2010. We also discussed the possibility of reaching a settlement on this account and other related accounts including the "clawback" obligations and BH's Nathan Ware will provide further data to us in this regard. However, to protect our rights in the meantime, we file this Notice as a formality only.

The specific grounds for our disagreement are:

- We disagree that the amount withdrawn from the account (#1Z0014) exceeded the amount deposited by \$505,536.50



- Per Table 1 in Trustee's 5/13/2010 Notice, the Trustee reduced the initial deposit into the account on 4/24/1997, from \$965,705.66 per our Claim, to an adjusted amount of \$294,463.50. Based on the explanation provided, it appears that the reason for this adjustment was that this is the "net equity" for the transfer of monies into this account came from a separate but related Madoff managed account (# 1Z000610)
 - Until BH provides information that allows us to confirm the "net equity" of the account from which the transfer was made [1Z000610], we cannot agree with this determination.
- In general we disagree with the Trustee's method of accounting for transfers between Madoff accounts in the determination of "net equity". While we are aware of the Court's initial agreement with the Trustee that "net equity" will be determined on a "cash in-cash out" basis, we are unaware that the Court or State Law provided guidance with regard to inter account transfers both before and after the NYS year clawback period
- Specifically, if the Trustee will haircut transfers into an account to the "net equity" of the account from which it came, then we expect that the Trustee will apply the same consistent rationale *for transfers from the subject account to other Madoff account*, i.e. withdrawals from the subject account 1Z0014.
 - Specifically, the Trustee reduced "net equity" for a 5/5/2004 transfer to another Madoff account for the full amount of the \$500,000 transfer. It is our expectation that the Trustee should make the same determination of the "net equity" that was carried out with this transfer out, as he did with deposit to the account discussed above. Indeed this transfer out consists of both "net equity" and fictitious profits. See attached Table 1 with our notes handwritten in.

We respectfully request that you accept our Notice of disagreement as timely filed given the delay by BH to which they will confirm. However, at this point we do not request a hearing on this matter as we expect that we will reach a practical settlement with BH for this account and other related accounts. Please communicate with my authorized rep, Gary Kriner, in this matter. We thank you for your time and consideration.

Sincerely,

Sam Zemsky



Encl.

Table 1			
DEPOSITS			
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
4/24/1997	TRANS FROM 1Z000610	\$965,705.66	\$294,463.50
4/13/1999	CHECK WIRE	\$3,000,000.00	\$3,000,000.00
8/26/2002	TRANS FROM 1ZA90230	\$7,271.56	\$0.00
3/29/2004	CHECK WIRE	\$500,000.00	\$500,000.00
Total Deposits:		\$4,472,977.22	\$3,794,463.50
WITHDRAWALS			
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
12/31/2003	CHECK WIRE	(\$1,000,000.00)	(\$1,000,000.00)
5/5/2004	TRANS TO 1Z003130	(\$500,000.00)	(\$500,000.00)
4/13/2005	CHECK WIRE	(\$1,500,000.00)	(\$1,500,000.00)
4/10/2007	CHECK WIRE	(\$1,300,000.00)	(\$1,300,000.00)
Total Withdrawals:		(\$4,300,000.00)	(\$4,300,000.00)
Total deposits less withdrawals:		\$172,977.22	(\$505,536.50)

A - DEPOSIT IN REDUCED TO NET EQUITY OF ACCT 1Z000610

B - WITHDRAWAL OUT SHOULD BE ADJUSTED DOWN TO "NET EQUITY"



May 24, 2010

Irving H. Picard, Trustee
c/o Baker & Hostetler LLP
45 Rockefeller Plaza
New York, NY 10111

RE: Sam Zemsky Rev. Trust dtd 12/27/95 (Claim #009161)

Dear Sir:

We recently received your notice (attached), dated May 13, 2010, denying Claim #009161 we filed on behalf of the above referenced trust. Per your notice, this claim was denied because the amount withdrawn from the account (#1Z0014) exceeded the amount deposited.

We have reviewed the information that you have sent in the notice, comparing the withdrawals and the deposits, and have been unable to reconcile your information to ours. Per Table 1 in your notice, you have reduced the initial deposit into the account on 4/24/1997, from \$965,705.66, which accurately reflects the information that we have, to an adjusted amount of \$294,463.50. Based on the explanation you have provided, it appears that the reason for this adjustment was that the transfer of monies into the account came from another Madoff managed account (# 1Z000610). We have not provided, nor do we possess, any information that would verify that to be the case.

We respectfully request the additional information that you have for account #1Z000610 that would help us verify: a) that the deposit that took place on 4/24/1997 was, in fact, a transfer from this account, and b) the cash in/cash out activity. Also, we would like to respectfully request that you extend the time given to us to respond to your decision, to allow us an additional 30 days from the time that we receive the above information.

Thank you in advance for assisting us in this matter.

Regards,



Gary Kriner